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MEMORANDUM FOR: Chief, FI/OPS

VIA: FI/Projects

FROM: SR/3 W6

SUBJECT: Renewal of AECARRERA Project

REFERENCE: EGBA-32221

J August 52

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3028
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

1. Renewal of AECARRERA Project for the period 1 July 1956 through 30 June 1957 is submitted for approval. The planned activities of AECARRERA will be of the same essential nature as those defined in the attached project outline. Recent indications of effectiveness substantiate the claim that AECARRERA has made considerable progress during the past year. There are sufficient grounds to believe that the progressive operational development of AECARRERA will continue for the ensuing year. The forecast of broadened AECARRERA contacts accounts for the increased budgetary support of AECARRERA. It is requested that the budget authority of AECARRERA be increased from its present \$14,007.00 to \$20,135.00 for the next project year.

2. AECARRERA was specifically designed to enable BOB to exploit those REDCAP operational opportunities arising from the propaganda distribution operations of Project AEVIRGIL in the DDR. AEVIRGIL is currently distributing a monthly average of 5 million leaflets in the DDR. These leaflets advertise the existence and location of the AECARRERA office in W. Berlin. The AECARRERA utilization of AEVIRGIL cover for its operations provides a unique and secure operational framework in that the AECARRERA operations are shared neither with other intelligence services nor with the AEVIRGIL emigre group. AEVIRGIL cover for AECARRERA ops has been especially effective and the actual U.S. sponsorship of AECARRERA has not been questioned publicly. The unique and secure cover set-up of AECARRERA has made it one of the primary mechanisms for BOB REDCAP activities.

3. Staff case officers, [] and [] direct and supervise the activities of the AECARRERA staff which is composed of [] and []. [] and [] debrief the low and medium level contacts of AECARRERA. [], posing as a senior member of AEVIRGIL, handles those debriefings and operations which have the most promise of developing direct contact with the Soviets or where it seems possible that Soviets might visit W. Berlin. This procedure means that every case involving direct contact with Soviets can be handled with maximum attention to tradecraft and operational security without the concern whether the handler is witting of CIA control. Because of poor performance of duties, [] is going to be replaced as driver/bodyguard by []. The increased tempo of AECARRERA activities has made the addition of a 3rd PA debriefer a necessity in the office. The precarious state of health of both [] and [] precludes them from taking on a greater workload than they currently handle. Operational necessity cannot allow [] and [] to become so overburdened that they will be unable to give the proper attention to the exploration and exploitation of the leads supplied by AECARRERA visitors. An active search is being made for a third AECARRERA PA. More exhaustive interviewing of visitors permits the PA's to get a broad picture of the morale and psychology

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of Soviet troops which serves not only as an operational guide but also as a basis for the production of better and more effective propaganda literature by AEVIRGIL.

4. The number of German visitors from the DDR to the AECARRERA office has been averaging about 61 visitors per month. This is only a very general indication of the relative prosperity and state of health of AECARRERA. Though the flow of visitors has been relatively constant, the quality and the types of recent contacts have significantly improved. The proportion of refugee contacts to the total number of visitors has dropped off considerably but their places have been taken by visitors directly from the DDR and East Berlin. Also there has been a drop-off in the number of long-time contacts, most of whom were "loose women" and who produced very little positive operational data. Their places have been taken by fresh faces brought in by the specific solicitations included in the leaflets and literature distributed by AEVIRGIL. In particular, the recent increase in the number of Soviet contact operations run out of the AECARRERA office has been most gratifying. AECARRERA has developed a series of contacts (4) with access to the FPN system and AECARRERA has learned that contact with Soviets through the FPN system offers greater advantages over the less direct approaches. It has been proven that Soviet officers react more quickly to an AECARRERA letter via the FPN system. In this connection, AECARRERA is currently running 13 cases which involve direct or indirect contact with Soviets in the East Zone and which are in various stages of operational development. The AECARRERA 107a case has been developed to a stage where the subject has consciously placed himself at our control and displays willingness to cooperate with AECARRERA. In principle, the 107a case can already be considered a recruitment-in-place. 107a expects to be demobilized shortly and return to the USSR. BOB is working to obtain 107a's visit to West Berlin prior to his departure and finalize a full-fledged recruitment. The most recent AECARRERA achievement occurred on 18 May 1956 when a Soviet Sergeant defected to the AECARRERA complex. Subject has been turned over to CABEZONE for interrogation and establishment of bona fides. During the previous project approval period, AECARRERA produced 22 positive information reports and 16 positive information disseminations. The recent improvement in the quality of AECARRERA visitors forecasts an increase in the number of information reports.

5. The physical plant facilities of AECARRERA are satisfactory and are capable of servicing the present and future needs of AECARRERA. The personnel structure of AECARRERA requires the addition of a third PA debriefer to cover that portion of the workload which [] and [] cannot handle. The breakdown of the estimated costs for AECARRERA during FY 57 is as follows:

SALARIES:

[]	\$2,143.00
[]	357.00
[] (to be replaced by [])	1,143.00
[]	2,561.00
Additional PA Debriefers	2,096.00
Other Miscellaneous Contract Services	100.00

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OPERATIONAL EXPENSES:

a. Office space rental	1,200.00 ✓
b. Safe rooms rental	400.00 ✓
c. Garage rental	85.00 ✓
d. Automobile Maintenance	600.00 ✓
e. Telephone and Mailing expenses	400.00 ✓
f. Office supplies	200.00 ✓
g. Travel (office staff)	450.00
h. Operational Entertainment	200.00
i. Payments to sub-agents and contacts (purchase of information and defector in- ducement)	7,000.00
j. Propaganda distribution operations	<u>1,200.00</u>
TOTAL	\$ 20,135.00

6. It is recommended that approval be granted to the renewal request to authorize Project AECARRERA activities for the period 1 July 1956 through 30 June 1957 in the amount of \$20,135.00. The SR Division budget request for FY 57 included a sufficient budgetary estimate to cover the requested allocation of \$20,135.00 for AECARRERA.

CSR/30

Approved:

SR/COP/PI

Concur:

Chief, FI/OPS

Approved

Chief, FI

Date

8 Aug 56

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5 June 1956

MATERIEL AND FACILITIES REQUIREMENTS ANNEX

PROJECT AECARRERA - FI

I. MATERIEL

A. ZI - no support required

FI 57 Total

B. Offshore

1. Office supplies

200.00 200.00

II. FACILITIES

A. ZI - no support required

B. Offshore

1. Office space rental

1,200.00 1,200.00

2. Safe rooms rental

400.00 400.00

3. Garage rental

85.00 85.00

4. Automobile Maintenance

600.00 600.00

TOTAL FACILITIES

\$2,285.00 \$2,285.00

III. SUMMARY - The logistics support for Project AECARRERA as submitted for renewal for period 1 July 1956 through 30 June 1957 consists of \$200 for Materiel and \$2,285.00 for facilities.

 
Chief, SR/Logistics

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